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July 1, 1999

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**STATEMENT OF CHAIRMAN JOEL HEFLEY
SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES**

**SUBCOMMITTEE HEARING ON ECONOMIC DEVELOPMENT CONVEYANCES
AND THE REUSE OF FORMER U.S. MILITARY INSTALLATIONS**

Earlier this year, in April, the President and the Secretary of Defense announced the intention of the Administration to submit legislation to Congress to amend the existing statutory framework governing the economic development conveyance process for real property at military installations closed or realigned pursuant to the base closure laws. Those announcements attracted a lot of interest both here in the Congress and in communities across the country still struggling to put closed military bases back into productive and viable economic reuse. The Administration submitted the necessary legislation, but, regrettably, just prior to consideration by the Committee on Armed Services of H.R. 1401, the National Defense Authorization Act for Fiscal Year 2000.

After consultation with the members of this subcommittee, I was not comfortable that we had a basis on which to make a reasoned decision on a complicated matter in such a short period of time. As a result, the recommendations of the Subcommittee on Military Installations and Facilities which Mr. Taylor and I presented to the full committee did not include the proposal. We simply did not know enough about the proposal to be comfortable moving forward and there was a division of opinion among members about the wisdom of the legislation.

In the meantime, our colleagues in the Senate choose to move forward with the legislation as part of the defense authorization bill. Our colleague on the full committee, the gentleman from Alabama, Bob Riley, offered, but then withdrew, a variation of the Administration's proposal during the full committee markup of H.R. 1401. The gentleman from Arkansas, Asa Hutchinson, intended to offer a similar amendment on the House floor. I want to express my appreciation to both members who are here this afternoon for their willingness to withhold offering those amendments to give the subcommittee the time to examine thoroughly this proposed change in the law. This will be an issue in the conference on the defense authorization bill. We need to examine the proposal in detail. That is why we are here today.

It seems to me we are faced with two competing and very compelling public policy interests. From a fiscal perspective, one of the effects of the Administration's proposal is that receipts from the sale of real

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property, already well below the assumptions that were made at the outset of the BRAC process, would be further diminished. At the margins for the duration of the current BRAC process, and certainly if there is a future BRAC process, that would increase the demand for direct appropriations. The question is whether the federal taxpayer would be asked to pay more for base closures than would otherwise be the case. From an economic development perspective, we need to do everything we can to accelerate the reuse process so that communities can move on after the closure or major realignment of a military installation. We can and should streamline the process. The question is whether this legislation, absent any change in the area of environmental remediation, can truly speed economic redevelopment. There is a public policy trade-off here. I hope the hearing today can provide an answer to these questions.

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